

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WORKSHOP/REGULAR MEETING WEDNESDAY JULY 15, 2026, 12:00 PM**

1. A workshop and meeting of the Board of Directors for East Cedar Creek FWSD was held at the Administration building in Gun Barrel City, Tx on July 16, 2025. The meeting convened at 12:15pm, Vice-President Larry Bratton presiding.
2. Pledge of Allegiance.
3. Members present in person were Vice-President Larry Bratton, Treasurer Pat Mullaney, Director Ted Henley, and Director Michael Divine. Absent was President Jim Willi, Secretary Terri Bradley, and Director Debbie Emmerich. Other attendees in person were Operations Manager Shawn Zbleski, Chief Water Operator Anthony McLaughlin, Office Manager Angie Crowsey, Bookkeeper Donna Wood, Mike Ward//Mike Ward Accounting & Financial Consulting, PLLC., Shriram Manivannan/KSA Engineers-Pape Dawson, Joseph Stone/KSA Engineers, and Lanny Buck/KSA Engineers-Pape Dawson. Other attendees by telephone/video conference were General Manager James Blodgett, Tom Carter/KSA Engineers-Pape Dawson and two other unknown attendees.
4. A quorum was established.
5. Motion was made by Mr. Henley and seconded to adopt the agenda. Motion carried unanimously.
6. **WORKSHOP:**
 - a. **Discuss and review the audit for FY 2025-2026.** Mr. Ward and the Board reviewed the final draft of the audit report. Mr. Ward advised that he was giving a clean unmodified report, which is what you want from your audit report and congratulated the District and thanked the staff for providing all documentation needed to complete the audit. Mr. Ward noted that the District ended the year with 40.4 million in total assets, which is a increase from last fiscal year and also noted that the District ended the year with about 18.2 million in liabilities, which is a decrease from last fiscal year. Mr. Ward and the Board reviewed the restricted versus unrestricted net position from the balance sheet showing an increase in net position of 7.23% overall. Mr. Ward pointed out the analytical schedule showing that the District outstanding debts for bonds had decreased from 17.4 million down to 16.7 million from the last fiscal year. Mr. Ward reviewed pages 20 and 21 with the Board and advised that this is basically the long form of the statement of new position as seen on pages 14 and 15. The Board and Mr. Ward reviewed the cash flow statement that started at 15.2 million and ended at 14 million. Mr. Ward advised that some of the most important data is on pages 27 through pages 29 which goes into details of the District's long term obligation debt. Mr. Ward advised that he had no difficulty completing the audit as all accounts were reconciled, which is where he has trouble with some other companies he has audited. Mr. Ward recommended that the District should look at their summarized assets. The District reviewed the fiscal year end debt ratio which came in at a 2.72 for the year.

Convene into Regular Meeting.

The Board convened into the regular meeting at 12:32pm. Mr. Ward and Ms. Wood left the meeting.

7. **Discuss and/or take action to approve the minutes from the regular meeting on June 17, 2026.** Motion was made by Mr. Mullaney and seconded to approve the minutes from the regular meeting on June 17, 2026. Motion carried unanimously.
8. **Discuss and/or take action to approve the 2025-2026 annual audit by Mike Ward Accounting & Financial Consulting, PLLC.** Motion was made by Mr. Mullaney and

seconded Discuss and/or take action to approve the 2025-2026 annual audit by Mike Ward Accounting & Financial Consulting, PLLC. Motion carried unanimously.

9. **Public Comments.** Mr. Carter/KSA Engineers-Pape Dawson introduced himself and it was noted that he has a lot of experience with building data centers in the San Antonio region. He gave a brief overview of his experience with them. Mr. Carter gave an overview of how some data centers have designs that use less water and some are even moving to an alternate coolant system from water.
10. **Consent Agenda:** A The Board requested that all items under the Engineer's Report #10 a(i) and items under the General Manager's Monthly Report #10 b(v) be removed from the consent agenda for discussion.
 - a. **KSA Engineer's Report**
 - i. Task Order #24 General Services
 - ii. 2022 Bond Projects. 1.) Task Order #101210 NWWTP Catwalk 2.) Task Order #101212 SWWTP Improvement 3.) Task Order #101213 Brookshire GST. 4.) Task Order #101214 Lift Station Improv 57 & 59 5.) Task Order #104320 Lake Crossing Project.
 - iii. Task Order #11013984-003 North WWTP Permit Renewal.
 - iv. Task Order #104966 2026 Bond Application.
 - b. **General Manager's Monthly Report.**
 - i. Key Monthly Activities. ii. Staff Changes. iii. Work Orders. iv. Project Status. v. Operations Report.

Without objections the Board discussed the following consent agenda items.

10.a(i). Task Order #24 General Services.

- **Pier 334.** Mr. Blodgett advised that they sent an email around a month ago for some further reviews and are currently working with the District's engineers.
- **7 Brew.** Mr. Blodgett advised that they just received the approval letter and are now waiting for TxDOT.

10.a(ii). 2022 Bond Projects. (#1)Task Order #101210 NWWTP Catwalk. Mr. Manivannan advised that they recently completed the pre-construction meeting as well as the site visit. They are currently reviewing submittals. The Board and Mr. Manivannan discussed the change order (amendment) for this project, which is a line item on today's agenda. These plans have been finalized. Mr. Blodgett gave an update on moving plans where the project would be going into an existing easement instead of trying to obtain an easement or go into someone's property. Mr. Blodgett also advised that there will be a hole in the cul-de-sac and that we would make sure that it is put back correctly as well as having an issue with a driveway in the area, which is why there are costs added to this project. Mr. Manivannan advised that even though there will be holes for the boring in the cul-de-sac in the area the actual disturbance would be minimum impact. Mr. Manivannan advised that the draft plans have been completed and the next step is to go to Tarrant Regional Water District for approval and then submit the plans to TCEQ for their approval.

10.a(ii). 2022 Bond Projects. (#2)Task Order #101212 SWWTP. Mr. Manivannan advised the Board that there is a meeting set up today immediately after the Board meeting. The contractor should be providing a schedule. Mr. Mannivannan gave a brief overview of the next steps of the project. The official completion date was scheduled for the 31st of August but there have been delays due to the power change and a few things that have pushed the schedule back.

10.a(ii). 2022 Bond Projects. (#4)Task Order #101214 Lift Station Improv 57 & 59. Mr. Manivannan advised that they were able to start up Lift Station #59 today and pumps are running. The auto-dialer still needs to be installed, and Mr. Manivannan noted that they will get a pump supplier report. On Lift Station #57 they have installed all the wet wells, manholes, equipment and panels which was scheduled to start up on July 29th but that is subject to change.

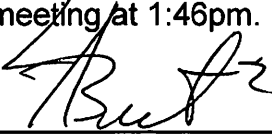
10.a(iii). Task Order #11013984-003 North WWTP Permit Renewal. Mr. Mannivannan advised that this was completed as of last month. The District should get the permit in December which is done every 5 years.

10.a(iv). Task Order #104966 2026 Bond Application. Mr. Manivannan advised that they have a draft report ready and have finalized the budget and has been sent to Hilltop securities the District's financial advisers.

10.b(v) Operations Report. The Board reviewed the water loss report. Mr. McLaughlin advised that the water loss was improving due to a lot of training with the staff on calculating water loss giving a better accountability for the loss.

- 11. Discuss and/or take action to approve pay request #5 from J & K Excavation for Task Order #101212 SWWTP Improvement project & Task Order #101214 Lift Station Improv 57 & 59 in the amount of \$419,727.30 to be paid out of the 2022 Bond.** Motion was made by Mr. Mullaney and seconded to approve pay request #5 from J & K Excavation for Task Order #101212 SWWTP Improvement project & Task Order #101214 Lift Station Improv 57 & 59 in the amount of \$419,727.30 to be paid out of the 2022 Bond. Motion carried unanimously.
- 12. Discuss and/or take action to approve change order #1 for the Task Order #104320 Lake Crossing Project in the amount of \$45,000.00 to be paid out of the 2022 Bond.** Motion was made by Mr. Mullaney and seconded to approve change order #1 for the Task Order #104320 Lake Crossing Project in the amount of \$45,000.00 to be paid out of the 2022 Bond. Motion carried unanimously.
- 13. Discuss and/or take action to approve to transfer an additional \$200,000 from the Improvement fund to the Operating Reserve to add an additional building to the Administrative office to add capacity for administrative operations due to growth. (originally approved \$150,000, now total would be \$350,000).** Motion was made by Mr. Mullaney and seconded to approve to transfer an additional \$200,000 from the Improvement fund to the Operating Reserve to add an additional building to the Administrative office to add capacity for administrative operations due to growth. Mr. Mullaney advised that the Finance Committee meet to discuss this project and the need for additional funds. Mr. Blodgett advised that once the District had to follow the City of Gun Barrel's permit process not knowing that they would require full engineering plans and not architect plans that the original contractor was going to use. Mr. Blodgett also pointed out that now that the project is over \$150,000 that the District will be required to go out for sealed bids which will increase the costs, and now that the contractor will have to do submittals. Motion carried unanimously.
- 14. Discuss and/or take action to approve to sell surplus property by auction.** Motion was made by Mr. Henley and seconded to approve to sell surplus property by auction. Ms. Crowsey advised that after the Board had approved the sale of six (6) utility trucks that were recognized as surplus property she did some research. Ms. Crowsey advised that she found an auction company that holds auctions for cities, governments, and other companies which is allowed for surplus property. Ms., Crowsey advised that management felt that this may be a good option for the District to not only be able to get higher bid offerings on the property but also this company will take care of the entire process. Motion carried unanimously.
- 15. Discuss and consider large scale water users.** The Board discussed large scale water users. Mr. Blodgett advised that the District recognizes any user with a meter larger than a residential meter 5/8" as a potentially large scale user and/or considered a commercial account. Mr. Blodgett and the Board discussed the District's top 10 water users, discussed the District conservation plan. Mr. Blodgett advised that all commercial or large scale users are required to complete a utility review through the District's Engineers before any costs for installation/service can be given.
- 16. Discuss and/or take action to order an election for the November 3, 2026, election.** Motion was made by Mr. Mullaney and seconded to order an election for the November 3, 2026, election. Motion carried unanimously.

17. **Discuss and/or take action to approve an Interlocal Agreement with Henderson County for the November 3, 2026, Elections.** Motion was made by Mr. Henley and seconded to approve an Interlocal Agreement with Henderson County for the November 3, 2026, Elections. Motion carried unanimously.
18. **Discuss and/or take action to approve an ad hoc committee for the District's fifty-year anniversary celebrations.** The Board tabled this item until next month.
19. **Committee Reports.**
- a. **Operations Committee.** Mr. Henley advised that the committee met to discuss information about large-scale water users.
 - b. **Personnel Committee.** There was no report.
 - c. **Finance Committee.** Mr. Mullaney advised that the committee met to discuss the new building cost increase, the recommended compensation for staff performance that will be discussed later in the meeting.
20. **Review and discuss the June 2026 financial reports.** The Board reviewed the financials for June noting that water and wastewater revenues were down, but they were not big numbers and noted that expenses for water treatment were down. It was noted that chemical costs were up due to ordering bulk during the month for the upcoming holiday.
21. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Henley and seconded to approve the payment of bills. Motion carried unanimously.
22. **Convene into Executive Session to deliberate personnel matters as per sect 551.074 of the Open Meetings Act.**
- a. Deliberate compensation to staff for performance during the rehabilitation of the SWWTP project.
- The Board went into executive session at 1:31pm The Board reconvened out of executive session at 1:44pm
23. **Discuss and/or take action on items discussed in executive session.** Motion was made by Mr. Mullaney and seconded to approve compensation in the amount of \$4,400 total to be distributed to the staff for their performance during the rehabilitation of the SWWTP project as recommended by the General Manager. Motion carried unanimously.
24. Motion was made by Mr. Mullaney and seconded to adjourn. Motion carried unanimously. The Board convened out of the regular meeting at 1:46pm.



Larry Bratton
Board Vice-President

08/19/2026
Date